



National Clean Cities, Inc.
Recommendations
to Improve Deployment Efficiency
of Clean Cities

Submitted by:
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June 17, 2004



*With gasoline prices at an all-time high, now is the time to provide **additional** resources to the Clean Cities program.*

June 4, 2004 - Ashburn, Va.

“Most coalitions are staffed by unpaid volunteers many of whom have been in the program since the beginning — why? We are committed, motivated and passionate about making a difference. How many other DOE programs can boast of that?”

-City Fleet Manager and Clean Cities Coordinator

“Clean Cities’ name recognition serves to support areas in which issues of energy security (and reduced emissions) had not been an easy sell. The strong name and lean but supportive DOE Clean Cities organizational structure is an example of government at its best.”

-City Official

“The Clean Cities program has fostered the birth of a new industry worth millions to the national economy. The new products, activities, infrastructure and jobs created as a result of this initiative will only continue to grow.”

- Executive Director, Alternative Fuels Advocacy Group



NATIONAL CLEAN CITIES, INC.

Executive Summary

When the Department of Energy's Office of Energy Efficiency and Renewable Energy relocated the Clean Cities program into the Office of Weatherization and Intergovernmental Programs in 2002, a common question was asked throughout the nation: "Why is a very successful *transportation* program being merged into a *buildings* program?"

Now that the Department of Energy (DOE) is undertaking a comprehensive reorganization of its "Gateway Programs," the time is right to relocate the Clean Cities program into a "transportation related" office, where it can continue to build on ten years of success.

National Clean Cities, Inc. (NCC, Inc.) has prepared this report, which outlines specific recommendations and suggestions based on feedback received from Clean Cities Coordinators, Alternative Fuel Advocacy Groups, Automotive Original Equipment Manufacturers (OEMs), Auto Dealers and of course, NCC, Inc. members. While we have tried to incorporate as many of the suggestions as possible into this document, and we have provided actual quotes in the margins, it is impossible to include all of the comments we received. However, one sentiment was overwhelmingly consistent among all comments. It is very evident that the people who work with the Clean Cities program, both locally and at Headquarters are passionate and dedicated to the advancement of alternative fuels.

National Clean Cities Inc.'s recommendations are:

1. Relocate the Clean Cities program into an appropriate transportation-related program, such as the FreedomCAR and Vehicle Technologies Program or the Hydrogen, Fuel Cells and Infrastructure Technology Program.

2. Preserve the program name "Clean Cities" and capitalize on its ten years of national and international branding success.

3. Strengthen the 82 local Clean Cities Coalitions with direct support, eliminating unnecessary program administrative costs, and optimizing deployment efforts.

4. Identify a single State Energy Office liaison within Clean Cities Headquarters to work with the National Association of State Energy Officials and to ensure local Clean Cities Coalitions work with their local state energy offices.

5. Continue to work with, and expand, the existing technical expertise that the Clean Cities program has developed. Allow the Clean Cities program to grow its technical expertise and continue to give coordinators direct access to these resources through Clean Cities.

"Clean transportation and energy independence is a large enough effort to have a dedicated team working on it, especially when we add idle reduction and fuel efficiency"

-Clean Cities Coordinator

"There's no other group that carries such a "general, quality of life" message, and one that focuses on the subject of transportation."

-Clean Cities Coordinator

"A name change would be a significant setback. Clean Cities has become a respected "brand" within the alternative fuel community, and the OEMs have committed significant resources over the years in support of Clean Cities to help ensure their success. It is a key marketing tool for the OEM's alternative fuel vehicle and advanced technology programs."

- Comment from one of the Big Three automakers

Background

"If it ain't broke, don't fix it!"

-excerpt from letter
from AFV Advocacy
Fuel Groups to
Secretary of Energy
Spencer Abraham

"Our decision to support Clean Cities designation was because we saw the value of supporting a high-profile, easily recognized, national movement with grassroots stakeholder support throughout the United States."

-City Official

"The strength of Clean Cities is its ability to bring together state and county officials with stakeholders and industry business people to collaborate on activities aimed at improving our environment."

-Clean Cities
Coordinator

The Department of Energy's Office of Energy Efficiency and Renewable Energy is nearing the completion of a plan to reorganize the Office of Weatherization and Intergovernmental Programs. A recent white paper released by the National Association of State Energy Officials (NASEO) outlined their recommendations to improve DOE deployment. The paper proposes major changes in the current Clean Cities program.

The NCC, Inc. was invited to participate in a roundtable meeting of AFV industry advocates held during the Clean Cities Conference in May. At that meeting the NCC, Inc. volunteered to collect and present the recommendations and suggestions of many of the stakeholders keenly interested in improving the Clean Cities program. The result is this document.

During the meeting, Ellen Lutz, OWIP Acting Program Manager and Mark Bailey, Supervisor of State and Community Programs discussed the proposed reorganization with select Clean Cities Coordinators and industry partners, which included Alternative Fuel Advocacy Groups, Utility Representatives, AFV Equipment Suppliers and Component Manufacturers and OEMs. While details were not formally presented, and the group was assured that OWIP was in an information gathering stage, there was a general consensus of those present at the meeting that the planned reorganization risks diminishing the strengths of the current Clean Cities program.

For over 10 years, DOE headquarters and regional Clean Cities staff have cultivated a network of 82 local (some state-wide) coalitions. They are focused on deployment of motor vehicles, alternative fuels and now other transportation technologies that reduce our dependence on petroleum.

The Clean Cities program has been effective for at least three fundamental reasons:

First, local coalitions have access to useful and robust technical resources, primarily through NREL (AFDC and other web site, Tiger Teams, fact sheets, success stories, refueling locator, etc). These resources were not proscribed by DOE administrators in Washington or elsewhere. Most have evolved over ten years of experience based on the ideas of and needs expressed over time by coalition coordinators in order to successfully deploy vehicles and fuels.

Second, the program has received active industry support. Industry appreciates having a national focal point and organization together with local coalitions as "delivery mechanisms." The public-private partnerships extend from the national to the local level for the mutual benefit of business, communities and the nation.

And finally, Clean Cities has been successful because it has built a valuable brand out of its name.

Concerns and Comments

A chief concern of those in the industry is the recommendation that, under the proposed reorganization, the Clean Cities name and that of other successful OWIP programs would be eliminated and replaced with a single "umbrella" name representing all programs. Nearly every comment received by the NCC, Inc. incorporated the branding of Clean Cities and the importance of keeping the Clean Cities name. The loss of identity would be a tremendous waste of marketing capital.

Clean Cities has invested in and built brand recognition over the past ten years in communities across the country. Many coalitions have incorporated using the Clean



Cities name and have significant investments in design, print, web development, and promotional materials. Additionally, private stakeholders including OEMs, engine suppliers and AFV equipment suppliers have invested hundreds of thousands of dollars into Clean Cities and use the Clean Cities name on their advertising programs. If the program name is replaced or eliminated, the entire AFV industry would lose ten years of Clean Cities brand investment. While we agree with NASEO's recommendation to reduce branding costs overall and shift those resources to deployment, the value of the Clean Cities brand must be preserved. NCC, Inc. does *not* support re-branding Clean Cities under the reorganization.

The second most commonly-held concern voiced to NCC, Inc. about the proposed reorganization was that decentralization of Clean Cities administration would dilute the national program's effectiveness and would actually *increase* program management costs. The NASEO white paper proposes that federal funding for Clean Cities and other programs be "bundled" into one pot and then distributed through state energy offices which, in turn, would determine funding priorities for their state and communities. NCC, Inc. believes that this scenario could be disastrous for local Clean Cities Coalitions:

1. This approach would diminish the national Clean Cities' ability to deploy R&D, set a cohesive national program strategy, and create a national/global vision of how we can work together to achieve our goals.

2. Our stakeholders' markets are rarely based in one state. Under the proposed merger/reorganization, AFV fuel providers, OEMs, and AFV component manufacturers who now can seek support from a single, central source, would face the prospect of navigating 50 state bureaucracies with 50 different priorities and processes.

3. Without a national funding source and guidance from Headquarters staff, we'll see more OEMs and AFV fuel providers pulling out of the market. These stakeholders look for guidance from Clean Cities Headquarters to set a national strategy and provide fiscal and technical resources to build the AFV market. Stakeholder buy-in to the Clean Cities program is extraordinarily strong. The national Clean Cities program has maximized federal funding by leveraging stakeholder support, particularly among national partners such as the OEMs. Nationally, the Clean Cities program provides a vision for the AFV marketplace and a catalyst to ensure that key infrastructure and technical concerns are met as the industry introduces AFV products and services.

4. Core strengths of the Clean Cities program are provided through information services, research and analysis, communications that draw the industry and coalitions together (web sites, conferences, technical meetings, exhibiting/presenting at stakeholder tradeshows, Advancing the AFV Choice events, the Alternative Fuels Data Center, statistical compilations, refueling locator services, fact sheets, etc.). The Clean Cities Headquarters staff has worked closely with national labs to provide these services and has built an extensive network of resources available directly to the local Coalitions. Headquarters needs to continue to coordinate these national efforts. This comment was overwhelmingly echoed in the comments the NCC, Inc. received in preparing this paper.

5. Decentralizing administration of Clean Cities funds from the national Headquarters to the states threatens to make it even more difficult for Coalitions to allocate funds to actual deployment. Given the current fiscal situation of most states in this country, many state governments are downsizing to core services. It is not likely, under this scenario, for a robust deployment effort for AFVs to occur, and state government layoffs could seriously impact the state's ability to process and distribute grants in a timely way. Additionally, due to the fiscal concerns, states will be more inclined to assess administrative fees on this new revenue stream, which in turn will reduce the amount of federal funds being allocated for actual deployment of AFVs. And finally, not

"I am the fourth generation in a family that owns and operates 22 automobile dealerships. We rely on Clean Cities Coordinators to facilitate meetings and identify fleets throughout California. Without this organization the AFV marketplace will be lost."-Automobile Dealer

"Given the fiscal crisis facing many states, funds diverted through State Energy Offices would certainly be used to support already threatened budgets with no increase in deliverables."-City Official

all Clean Cities are located in non-attainment areas. States may not be willing to fund Coalitions that are in compliance.

Coordinators should not have to compete against projects for buildings or codes and standards — or projects such as street lighting — for Clean Cities bundled money.

6. The intent of the reorganization is to merge all program activities so that it becomes a sort of “one stop shopping” for all customers, a concept which presupposes that all states have common customers. This approach will weaken the AFV industry’s access to the national and international markets that the industry has spent ten years building, and will halt any progress in gaining future shares of this market.

NCC, Inc.’s program priorities are to support coalitions and stakeholders by maintaining links with OEMs, AFV fuel providers, and the broader alternative fuel industry to strengthen the technical assistance needed to increase the amount of petroleum displaced through our new emphases on idle reduction, hybrids and fuel economy.

“It has been through our close association with Clean Cities that we were able to help the city and county convert its diesel fleet to B-20. This, in turn, led to the conversion of the electric company fleets.”

-AFV Fueling
Supplier

“The Clean Cities International Program is exactly the type of program UNDP is interested in funding.”

-United Nations
Deployment Program
Official

Recommendations

1. Relocate the Clean Cities program into an appropriate transportation-related program office, such as the FreedomCAR and Vehicle Technologies Program or the Hydrogen, Fuel Cells and Infrastructure Technology Program. Clean Cities should be a stand-alone program housed within a transportation program office.

NCC, Inc. and NASEO agree that the reorganization of OWIP should be focused “around the delivery of a bundle of technical assistance services and programs tailored to each of its target customer groups.” NCC, Inc. believes the most straightforward way to do this is to organize OWIP around “buildings related” customer groups and relocate Clean Cities into an office which tailors to “transportation related” customer groups.

2. Preserve the “Clean Cities” program name and capitalize on its ten years of national and international branding success.

There has been a ten-year investment in the branding of the Clean Cities name with public and private stakeholders. DOE has invested in developing programs that are identified with the Clean Cities name while private industry stakeholders have leveraged a significant amount of funding to brand their products with the Clean Cities logo. The Clean Cities name is recognized globally and countries are lining up to be recognized as International Clean Cities. At the Clean Cities Conference in Ft. Lauderdale international guests from India, Bangladesh, Philippines, Egypt, and Mexico were in attendance. The money that would be spent on re-branding Clean Cities is money that can and should go to deployment activities.

Clean Cities has been able to attract generous funding from Congress for its

Branding is valuable: Clean Cities has franchised its name, brand and philosophy in 82 U.S. communities. In the same way that Starbucks is synonymous with coffee to go, Clean Cities has become synonymous with deploying alternative fuels technologies.

“Take the branding of coffee in the United States 10 years ago. Today, we’re all drinking Starbucks—not Folgers, not Maxwell House. Those might still be brands bought in grocery stores, but the brand most people identify with is the one that popped up on a corner in their neighborhood. And that brand didn’t make its presence in our lives through promotion and advertising; it did so by actually building service centers in our communities.”

— Regis McKenna, Chairman, The McKenna Group



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program thanks to a strong name recognition and a clear connection between funding and results. Each year, Congress has appropriated more funding than DOE has requested for Clean Cities. These funds for Clean Cities deployment activities are leveraged with funding from industry stakeholders and have resulted in the displacement of 413 million gasoline gallon equivalents. The inroads made by Clean Cities with its Congressional allies make the program the perfect deployment program for the pending CLEAR ACT legislation.

If the Clean Cities brand identity were merged with other programs for budgetary purposes, NCC, Inc. believes the result would be misleading to our supporters on Capitol Hill. NCC, Inc. believes that appropriations made on behalf of the Clean Cities program, and on the strength of the Clean Cities name, should be directed to activities within the Clean Cities program.

3. Strengthen the 82 local Clean Cities Coalitions with direct support, eliminating unnecessary program administrative costs, and optimizing deployment efforts.

Volunteer or part-time Coordinators staff many of the 82 Clean Cities Coalitions. These Coordinators are the back-bone of the Clean Cities Program and their local operations represent a tremendous deployment asset that would be difficult to replicate. Their knowledge base and focus on environmental and energy security issues related to transportation is unique and should not be under-estimated. The NCC, Inc. recommends that Coordinators receive direct DOE funding for their grass-roots operations based on an approved scope of services (rather than having to compete for the funds). To streamline this effort and reduce administrative cost for DOE, funding could be directed through a centralized national organization which focuses on alternative fuels for transportation. Additionally, SEP competitive funding for Clean Cities projects that is currently administered through State Energy Offices, has proven to be an effective means to support projects, however applications routinely exceed the available funds. NCC, Inc. recommends that funds for this important program be increased.

4. Identify a single State Energy Office liaison within Clean Cities Headquarters to work with National Association of State Energy Officials and ensure local Clean Cities Coalitions work with their state energy offices.

NCC, Inc. agrees with NASEO that industry stakeholders should be integrated into the Department's strategic planning on deployment programs. A single point of contact within Clean Cities HQ would act as the liaison between DOE and NASEO, improving coordination between the two organizations. While many of the Clean City Coordinators have developed effective relationships with their state energy offices, that have leveraged resources and led to progressive state policies related to alternative-fuel vehicles, NCC, Inc. recognizes that in many instances this could be improved. We recommend that the Regional Office staff play the major role to facilitate communication amongst and between the state energy offices in their region and the various deployment functions, including Clean Cities. Further, we suggest that both NASEO and NCC, Inc. could be helpful in developing constructive, mutually beneficial relationships between Clean Cities and state energy offices.

5. Continue to work with, and expand, the existing technical expertise that the Clean Cities program has developed. Continue to allow local Clean Cities Coalitions to access these resources directly.

The comments received overwhelmingly stressed the important role the National Labs have played in the success of the Clean Cities program. Specifically, comments focused on Tiger Teams, Advancing the AFV Choice events, Alternative Fuels Data Center, national conferences and AFV fueling locator services. There is great concern that if Clean Cities is bundled into buildings related programs that funding currently identified for needed technical expertise as mentioned above would be diminished or eliminated.

"We are counting on the Clean Cities deployment program to help us enact the CLEAR ACT legislation."

-Senate Legislative Aide

"Our State Energy Office has never been actively involved with the Clean Cities Program."

-Clean Cities Coordinator

"I couldn't do a lot of what I do without NREL. They provide all of my meeting materials already assembled for my meetings. If I had to do it all I wouldn't get anything else done."

-Clean Cities Coordinator



National Clean Cities Incorporated

Mission Statement

National Clean Cities, Incorporated (NCC, Inc.) strives to develop a robust and sustainable market for alternative transportation fuels, clean and efficient vehicles, and advanced transportation technologies. The result will be a better environment, increased national energy security, reduced dependence on imported oil, more economic opportunities, and the protection of public health.

The mission of NCC, Inc. is to support members who are working to promote and deploy alternative-fuel vehicles, alternative-fuel infrastructure, and advanced transportation technologies in communities and along transportation corridors. NCC, Inc. members receive services, information and access to resources that help their local partnerships succeed. NCC, Inc. also provides national leadership to advance clean alternatives to petroleum use for transportation and increased vehicle efficiency.

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